



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Ralph G. Tonseth

SUBJECT: SEE BELOW

DATE: 4-8-04

Approved

Date

DISTRICT: Citywide

**SUBJECT: AGREEMENT WITH ENGINEERING ECONOMICS, INC. FOR
BUILDING COMMISSIONING SERVICES FOR THE NORTH CONCOURSE AND
EXISTING CENTRAL PLANT EXPANSION PROJECTS**

RECOMMENDATION

Approval of an agreement with Engineering Economics, Inc. for consultant services for quality assurance commissioning of the planned North Concourse project and Central Plant Expansion project at the Norman Y. Mineta San José International Airport, for the period from the date of execution to September 30, 2008, in an amount not to exceed \$224,062.

BACKGROUND

Commissioning is the building industry's formal quality assurance process to place a facility in full operational readiness, in conformance with the facility's design basis. Commissioning employs a structured process executed and documented by a qualified independent agent, including document review, construction monitoring, integration, measurement, calibration, testing and start-up of numerous building components and complex systems built within the architectural envelope of the facility. The Commissioning consultant's role supplements the Construction Manager, by providing quality assurance services to the City, with an emphasis on the City's long-term ownership perspective.

On May 14, 2003, the Director of Aviation and the Director of Public Works issued a Request for Qualifications (RFQ) in accordance with the City's adopted qualifications-based consultant selection process. The request was advertised in local and national publications and on the City of San José and Airport Department's web sites. On June 18, 2003, Statement of Qualifications (SOQ) were received from nine consulting firms. On June 26, 2003, a pre-selection board consisting of employees of the Airport and Public Works Departments, and an Airport Master Plan program consulting firm met to short list the applicants to 3 best qualified firms, Ove Arup & Partners (ARUP) (Los Angeles, CA), Salas O'Brien (San José, CA), and Engineering Economics, Inc. (EEI) (Los Gatos, CA).

ANALYSIS

On July 10, 2003, the three short listed firms were asked to present detailed information regarding selection criteria contained in the RFQ. The selection board, consisting of three Airport Department employees, one Public Works Department Employee, one design consultant member, and a Leadership in Energy and Environmental Design (LEED) Accredited Professional, ranked the consultants in the following order: EEI, Salas O'Brien and ARUP. The selection board ranked EEI highest based on analysis of the Statement of Qualifications and oral interview. EEI's core business is building commissioning while the other candidates, although very competent engineering firms, are primarily design consultants offering commissioning services.

Additionally, Engineering Economics Inc. included a team of three on-site representatives having more than 72 years cumulative experience in facility design, construction, activation, commissioning, and operations. Along with experience in large private endeavors such as recent commissioning of existing buildings and campus expansion for Pfizer, Inc. in La Jolla, California, EEI has experience working with governmental agencies including the Port of Seattle (South Terminal Expansion and Central Utility Plant Expansion), Denver International Airport (Concourse "C"), plus our own San José Civic Center project. The Seattle and Denver airport experience is directly applicable to quality assurance challenges expected with San José's Airport expansion program.

EEI's design and field operations managers demonstrated extensive background in control system integration that will be an invaluable asset to the Airport expansion program. Their design manager and several support staff are LEED certified professionals experienced with the respective documentation requirements. Furthermore, EEI projected an owner/operator prospective for effective lifecycle performance at minimum operational costs.

The City has started the conceptual design of the terminal zone at the Airport. For the purpose of identifying the services that will be provided by the commissioning consultant, Airport staff has identified the following five projects initially in the order of construction schedule: (1) North Concourse, (2) Existing Central Plant Expansion, (3) Ground Support Equipment (GSE) Warehouse, (4) South Concourse, (5) Central Terminal and (6) rental car garage. These projects are planned to be implemented over the next five to ten years. The proposed consultant agreement with EEI includes commissioning consultant services only for the North Concourse and Central Plant expansion projects.

The North Concourse will be comprised of many building systems, sub-systems and equipment components that interact dynamically and continuously in response to internal environmental demands and external climatic variables, all orchestrated by a programmable control system. The Central Plant is the heart of the Airport-wide HVAC system, providing heating and cooling water services to Terminal A and, the Interim FIS Facility. The expanded Central Plant will also provide heating and cooling water services to the North Concourse. These building systems will be designed by various consultants, each having specific expertise. During the construction

period, the systems will be purchased and assembled by numerous contracted building trades with different skills and interests. The commissioning consultant will provide services to ensure that the various systems are integrated in order to perform to expectations during the operating term of the facilities.

In addition, the commissioning consultant will provide services related to compliance with the City's Green Building Policy. The City's Green Building Policy provides that all new construction and major retrofit projects for all City facilities and buildings over 10,000 gross square feet of occupied space shall meet a "San José LEEDTM," Certified rating effective with the FY 02-03 Budget Allocations. Consistent with the CITY's Green Building Policy, planned new terminal and concourse facilities at the Airport will be designed and built to meet the LEED Certified rating, and if cost effective, also strive for LEED Silver rating as a goal.

When new facilities are built at the Airport, overall electricity and natural gas usage at the Airport will increase proportionately to operate these new facilities. Effective commissioning of newly installed building systems is necessary to assure that energy usage is optimized, and that energy is not wasted, while assuring environmental comfort to the users of the airport facilities. The commissioning consultant will have a LEED accredited professional assigned to provide services to the City in connection with the LEED certification. The U. S. Green Building Council, in its LEED rating system, awards a point for hiring of independent commissioning agent. This extra point helps toward attaining the LEED Silver rating goal for the project.

The proposed consultant agreement follows the City's standard form for Master Consultant Service Agreements. Specific consultant services will be authorized through a series of service orders. Each service order will have a scope of services, list of deliverable items, budget and schedule as appropriate. The City Attorney's Office will review and approve each service order as to form; and, each service order will then be executed either by the Director of Aviation or his designee.

COORDINATION

The project and memo have been coordinated with the Public Works Department, the City Manager's Budget Office, the Finance Department, the City Attorney's Office and the Planning, Building and Code Enforcement Department.

COST IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: \$224,062
2. COST OF PROJECT:

| | |
|-----------|------------------|
| Agreement | <u>\$224,062</u> |
| Total | <u>\$224,062</u> |
3. Source of Funding: 520 – Airport Capital Improvement Fund
526 - Airport Revenue Bond Improvement Fund
4. FISCAL IMPACT: This project is consistent with the Council-approved Budget Strategy Economic Recovery section in that it will spur construction spending in our local economy. The project has been reviewed and was determined that it will have no significant adverse impact on the General Fund operating budget.

BUDGET REFERENCE

| Fund # | Appn # | Appn. Name | RC # | Total Appn. | Amt for Contract | 2003-04 Adopted Budget Page | Last Budget Action (Date, Ord No) |
|-----------|--------|-------------------------|--------|----------------------|------------------|-----------------------------|-----------------------------------|
| 526 (548) | 4657 | North Concourse | 12747X | \$242,309,000 | \$136,973 | Page 65 | 10/14/03 Ord. No. 26997 |
| 520 | 4657 | North Concourse | 12747X | \$21,989,000 | \$12,430 | Page 65 | 10/14/03 Ord. No. 26997 |
| 526 (548) | 4643 | Central Plant Expansion | 12695X | \$588,000 | \$74,659 | Page 59 | 10/14/03 Ord. No. 26997 |
| | | Total | | \$264,886,000 | \$224,062 | | |

CEQA

Resolution No's. 67380, and 71451, PP 03-09-275.

Ralph G. Tonseth
Director of Aviation
Airport Department